

**MINUTES OF THE MEETING OF THE
LOUISIANA STATE MUSEUM
BOARD OF DIRECTORS**

**Monday, November 9, 2015
12:30 PM – The Old U.S. Mint
New Orleans, Louisiana**

The meeting of the Board of Directors of the Louisiana State Museum was called to order by Chairman Michael M. Davis at 12:30 PM at The Old U.S. Mint in New Orleans. A quorum was present.

Members Present: Jerry F. Adams; Madlyn B. Bagneris; Robert A. Barnett; Myrna B. Bergeron; Charles R. Davis; Michael M. Davis; Rosemary Upshaw Ewing; Jeffrey Pipes Guice; Janet V. Haedicke, Ph.D.; Kevin Kelly; Thomas Frère Kramer, M.D.; Aleta Leckelt; Lawrence N. Powell, Ph.D.; Anne F. Redd; William J. Wilton, Jr.; Philip Woollam; and Diane K. Zink

Members Absent: Sharon Turcan Gahagan; Allen J. “AJ” Gibbs; William J. Perret, M.D.; and Donna Winters

Also Present: Alan Fisher, tenant at 503 St. Ann Street, 2nd Floor; Edward Ready, Attorney for Alan Fisher; John Boue, son of tenant at 535 St. Ann Street, 2nd Floor; Susan Maclay; and Jason Strada

LSM Staff Present: Dawn Hammatt; William Stark; Mark Tullos; and Robert Wheat

Adoption of the Agenda

Chairman M. Davis called the meeting to order. Mr. M. Davis amended the agenda to include Ms. Moore’s update to the LSM Board on the new Board legislation. Dr. Haedicke MOVED, seconded by Ms. Leckelt, to approve the amended agenda. There was no public comment. **Unanimously approved.**

Approval of Minutes

The minutes from the October 12, 2015 meeting were distributed in advance. Ms. Ewing MOVED, seconded by Dr. Haedicke, to approve the LSM Board minutes from October 12, 2015. There was no public comment. **Unanimously approved.**

Chairman’s Report

Mr. M. Davis said the dates for the next Collections Committee, Irby/Finance Committee and LSM Board meetings are listed on the agenda. The upcoming meetings are as follows:

Collections Committee meeting: December 9, 2015, 1:00 PM

Irby/Finance Committee meeting: December 14, 2015, 10:00 AM

LSM Board meeting: December 14, 2015: 12:30 PM

Relative to the January meeting, Mr. M. Davis advised that the Board will not meet on January 11th, as that is Inauguration Day. Whoever is elected Lt. Governor will be asked by the Chairman to set the date of the January meeting.

At the request of Mr. M. Davis, Ms. Moore addressed the Board. She said Act 263 of 2015, which impacts the composition of the Board and sets up staggered terms and term limits for Board members, goes into effect January 12, 2016. At the “first” meeting of the LSM Board (i.e., after the effective date of Act 263 of 2015), members’ terms will be “determined by lot:”

5 members will serve an initial term of one year.

5 members will serve an initial term of two years.

5 members will serve an initial term of three years.

5 members will serve an initial term of four years.

After the initial terms, all members will serve 4-year terms.

All Board members who represent organizations should ensure the organizations submit with the names of their nominees, the nominees’ qualifications to ensure compliance with the new law (R.S. 25:342(D). Names must be submitted within 30 days of the swearing-in of the Lt. Governor (R.S. 25:342(D)(3)(a)). Board members remain on the Board until a successor is appointed. Pursuant to Act 263 of 2015, there will be 7 at-large members and 13 organizational representatives. One member of the 21-member Board is the DCRT Secretary, an *ex-officio* position. No Board member shall serve more than two consecutive terms.

Director's Report

Robert Warren's exhibition in Patterson had a successful opening.

A catalog was distributed to each Board member on the Landry exhibition at the New Orleans Museum of Art (NOMA). In the catalog, essays were written by LSM staff members Tony Lewis and Katie Burlison.

At the Mint, LSM staff is mounting the Gitter-Yelen exhibition of Southern Folk Art.

At the 1850 House, LSM hired a company to do mold remediation. Ms. Hammatt spoke to the Board. She said a company called Servpro was contacted to clean the wall-to-wall carpeting. LSM staff wiped the ceiling, walls and floors with antibacterial mixture and vacuumed all of the artifacts. This was done in 4 days. Ms. Hammatt thanked the FOC for their financial support of the process. The latest mold inspection report shows no mold, so they will hopefully be ready to reopen for Creole Christmas.

Regarding rental events at the LSM properties, the bookings are very high in New Orleans and Baton Rouge. Mr. Wheat pointed out that the Capitol Park Museum’s schedule is filled with events.

Ms. Hammatt said the Assistant Registrar left and interviews for that position are ongoing. Mr. Tullos advised that the position of Curator of Music will be filled soon and several positions in the Collections department will be opening soon. The LSM is still at historically low staffing levels. Mr. Adams asked where the Patterson museum stands with regards to a staffed Curator. Mr. Tullos said we don't have the capacity to fill that position anytime soon. Dr. Powell asked how much extra

money we would need to hire the required number of curators. Mr. Wheat said it would take about \$2 million to restore staffing for the LSM to previous levels.

Mr. Tullos said he thinks the digitization and dissemination of the jazz collection is achievable. It is a three year project to photograph and digitize the jazz collection to be shared worldwide. A grant request to the Institute of Museum and Library Services (IMLS) would pay \$150,000 with a \$150,000 match by LSM. LSM would hire one 3 year employee with this grant.

Dr. Powell asked about the Thymol on the colonial documents. Mr. R. Davis said he checked into the matter and a general liability claim was made with the Office of Risk Management (ORM) for the exposed employees. All contaminated material was sealed up and sent offsite for professional cleaning. DCRT's safety representative worked with Mr. Wheat to ensure that, going forward, we don't have a repeat of the occurrence and all employees were reminded of their responsibility to report such incidences immediately.

Irby/Finance Committee Report

Residential rent increase proposal

Mr. Barnett reported on the work group efforts comprised of himself, Kevin Kelly and Diane Zink. He spoke of recommendations concerning the residential rent increase proposal. The group had recommended what it and the LSM staff had reviewed and had analyzed; the recommendation supported a much-needed residential rent increase. It was based upon the 2015 Rent Study provided by the French Market Corporation, staff recommendations from their own efforts and the members' working knowledge of rents in the French Quarter. Mr. Barnett made it clear that no member was an expert in the field of rental appraisals, but based upon the data presented, that their collective recommendation was justified because the existing rents had not been increased in five (5) years and that there existed a waiting list of 150 potential tenants. A general discussion ensued about apartments that had been renovated by LSM and those apartments that had been renovated by tenants. The Board discussed apartments with and without window air-conditioning units as opposed to those solely with central air and heat systems; Mr. Kelly recommended that apartments with only window units should receive a reduction in rent of \$50 per month until such time that central HVAC units were installed. He suggested that when the tenant moves out, central air and heat is expected to be installed and rent would then be increased a \$50 per month. He also suggested that those apartments with combined window units and a central system would receive a \$25 per month reduction. Those apartments with total central systems would receive no reduction. Mr. Kelly also suggested a further possible reduction for those apartments with open hallways. He recommended that those units (with open hallways) should receive a discount of \$.10 per square foot for the hallway areas or a general reduction of approximately \$8.00 per month. Rents would be increased when the hallways are closed in. Staff reported that there were only three apartment units that have open hallways. Mr. Barnett added that the Work Group had suggested, and the Members discussed, that the balcony areas should be included in the rent at half the newly proposed rate per square foot.

Mr. Kelly added that these new dollar amounts should bring rents in line with comparable real estate in the French Quarter. Ms. Washington added that she had worked closely with Ms. Mack to determine assessments, based also in part on the Upper Pontalba Rent Study dated January 15, 2015.

It was made clear that the entire study had been previously discussed amongst staff including Mr. Tullos and Mr. Wheat and that “nothing has been done in a vacuum.”

Mr. M. Davis disagreed and said that he believed the Upper Pontalba study was based on the recent renovations at those apartments. He stated that the comparables were not the same and that LSM should have its own rental study done. Mr. Barnett said that he had recently learned that the City’s analysis was done on a square foot basis, and in addition, the Upper Pontalba rent study did not take into account the recent City renovations. It was learned that the City’s renovations had not yet been completed prior to the final City appraisal; it was reportedly based on market rates in the French Quarter as a whole. The Members, like the Work Group & staff, discussed that, in their personal working knowledge of the Quarter and rental rates, that the increase was in order and long overdue.

Mr. Barnett reported that the increase had been approved by the Committee with 6 in favor and 3 against the proposal. Mr. Guice, who had also attended the Irby/Finance Committee meeting, repeated his position that he was against the increase and thinks LSM should not raise the rents.

Mr. Woollam said he dissented in his Irby vote because he wanted to show good faith to the tenants. Ms. Zink said she dissented because it was her understanding that LSM would have another appraisal done before raising rents.

Ms. Redd expressed concern at such a large increase “in one fell swoop.” Dr. Haedicke said given the State budget situation, LSM needs to act as “fiscal stewards” by timely and properly raising rents in a fair manner. Dr. Powell said even if LSM were to do another appraisal, rents will be about the same and he doesn't want to wait on raising rents as we need the extra income.

Mention was made of Mr. Sahuc, a long-time tenant, who felt that rents should not be increased. Long-time tenant, Mr. Boue's son, also had stated that his family had lived there for over 30 years, and said that he felt that an increase was unfair and not justified. Ms. Marianne Lewis also had related that her mother has lived at 810 Chartres 2nd Floor for years and that the Lower Pontalba building is becoming a place for only wealthy tenants and that it should be available for those who “love the city and want to live there, not just corporate entities.” She felt that raising the rent would only detract from true residential living.

Dr. Haedicke disagreed and said LSM has a public fiduciary duty and responsibility and that the members are public trustees. Ms. Ewing agreed and also reminded the Committee that the LSM had a Rent Study done in 2010 and that another rental assessment was supposed to have been completed by 2013 and that it has now been five years and long overdue.

Mr. Barnett commented that it was his understanding that the LSM and City have been conducting essentially companion appraisals for many, many years; that is, the LSM and City have conducted alternating appraisals every several years and customarily exchanged studies; for example, the City provided LSM with its 2015 study, and LSM had provided the City with LSM’s 2010 study, and so on. It was confirmed by staff that these exchanges of information had been on-going for a long time.

Mr. Guice MOVED to table the discussion on residential rent increases until the next meeting so he can do more research into the matter. Ms. Redd seconded the motion. There was no other public discussion. **The MOTION did not pass.**

Mr. Barnett made a MOTION to accept the recommendation of the Work Group, through the Irby recommendation, subject to the credits or offsets by Mr. Kelly for a residential rent increase for the Lower Pontalba tenants. Mr. Kelly seconded the Motion. There was no other public comment. Seven LSM Board members were in favor and eight were against the Motion. **The MOTION did not pass.**

After some further discussion, Mr. Adams MOTIONED to implement the recommended residential rent increase at 50% for 2016 and the remaining 50% for 2017. The Motion was seconded by Ms. Bagneris. There was no public comment. Eleven LSM Board members were in favor and five LSM Board members were not in favor. There was no public comment. **The MOTION passed.**

Commercial tenant rent abatement request

Mr. Barnett expressed concern about the possible Constitutional prohibition of allowing an abatement. He deferred to Ms. Moore for her input. Ms. Moore spoke to the Board about the commercial tenants' request for rental abatement. The roof replacement project, which lasted from October 20, 2014-September 10, 2015, was carried out by the Office of Facility Planning and Control at a cost of \$686,362.00 in State funds (i.e., not Irby funds). Scaffolding obstructed visibility and access to eight of the thirteen commercial tenants' businesses for four months.

Ms. Moore advised that under these particular facts, the proposed abatements – whether achieved by writing checks to tenants or reducing future rents payable – would be a gratuitous alienation of funds, which is prohibited by Louisiana Constitution Article 7, Section 14(A). Ms. Moore explained that the rent abatements granted post-Katrina served public purposes, and were therefore permissible. In her opinion, she cautioned and recommended that no rental abatement was possible.

Mr. M. Davis again expressed his personal apologies to the tenants for any false hope or misunderstanding about the ability to issue credits or abatements.

Nails in exterior bricks – 503 St. Ann Street, 2nd Floor

Mr. Barnett reported on staff actions and Irby's recommendations. It was reported that the estimate for repairs to Mr. Fisher's exterior brick work will be approximately \$550. The Committee recommends that the tenant pay for the repairs.

Lease renewal – 503 St. Ann Street, 2nd Floor

Mr. Barnett reminded the Members that at the October 12, 2015 meetings of the Irby/Finance Committee and the LSM Board, it voted to not renew Mr. Fisher's residential tenancy of 503 St. Ann Street, 2nd Floor. The Committee had requested LSM counsel as to its additional options to terminate the lease for breach (noting at least three recent lease violations) or simply not to renew the lease upon its expiration.

Upon recommendation of counsel, the Committee accepted the 'path of least resistance' by simply allowing the lease to expire on January 31, 2016. It was discussed as the desired outcome, all within a

similar timeframe as would be experienced if an eviction would take place, and all with a simple procedure.

Ms. Leckelt asked if LSM was legally within its rights not to renew the lease, and Ms. Moore confirmed that it is. Ms. Moore commented that the Fisher Lease is a one-year residential lease, with a fixed term, February 1, 2015 – January 31, 2016, and the tenant does not have a right to renewal. She advised that the LSM Board is vested with the right and responsibility to manage the lease program in a manner that is consistent with its legal obligations as a public entity and as Irby trustees. Dr. Kramer asked if Mr. Fisher was a chronic offender, and Mr. Barnett and the Committee confirmed that there have been a number of chronic and even on-going issues with the tenant. . Mr. Fisher's entire file was present and available for inspection.

Mr. Fisher's attorney, Mr. Ed Ready, spoke to the Board on behalf of Mr. Fisher. He said he felt the tenant should be given reasons why his lease will not be renewed. He stated that the recent issues had been resolved. Staff disagreed. Ms. Moore disagreed. He asked Board to reconsider its earlier action to not renew in January.

No further action was determined as needed insofar as the Board had previously voted to not renew the lease in January, 2016

Ms. Leckelt MOVED, seconded by Mr. Woollam, to approve the Irby Committee recommendation to assess and seek collection from Mr. Fisher the cost of all repair work. There was no public comment. **Irby Committee recommendation was approved with Mr. M. Davis dissenting.**

Commercial bids for 507 St. Ann and 517 St. Ann Streets

Ms. Washington gave the Irby/Finance Committee a packet with all received bids. The Committee will review the bids and give recommendations at the next meeting.

Ms. Leckelt MOVED, seconded by Mr. Woollam, to approve the Irby Committee recommendation concerning bids at both properties. There was no public comment. **Irby Committee recommendation was approved by all.**

Friends of the Cabildo Report

Mr. Strada read the report.

Ruth Burke was sorry she couldn't attend but she had to attend a funeral. The Ghostly Gallivant was at the Cabildo October 23rd and over 300 guests attended. It was a great turn out and the FOC is happy with the numbers, which continue to be still calculated.

The tour numbers were good for the month of October, bringing in around \$7,200, down from a record high of \$8,600 last year. The FOC has been working with the museum to have a larger tour presence on the LSM website so they are excited for more tour exposure.

The store saw a very good month in October doing over \$20,000 in taxable sales and they are looking for a solid Holiday season coming up.

Upcoming event for the FOC are Charmaine Neville at the Mint this Friday night, where they hope to have a sellout like Deacon John in September and the Storeyville Symposium on December 11th and 12th, which is about 75% full and they expect it to sell out.

Louisiana Museum Foundation Report

Ms. Maclay gave an update on the LMF gala, which will be on December 4th. All invitations have gone out. It will take place at the Royal Sonesta. The LMF has done a walk through with the exhibits department to see the space where the menus will be displayed and there will be a video display showing pictures of when the Royal Sonesta housed the Jazz Museum.

The next issue of *LA Musée* is at the printer and should be in the mail this week.

The Jazz Campaign case statement is done and LMF staff is working on the inserts. The LMF's fundraising contractor will be making a trip to New York in early December to start approaching donors.

E.D. White Historic Site Report

Ms. Leckelt said the Friends of the E.D. White Historic Site will hold its Christmas party on December 12th.

Capitol Park Museum Report

Ms. Stark said the Friends of Capitol Park have started a new program called "Thirsty Thursdays" where the public will be invited to the museum for a small fee for after work drinks.

Also, LSM Police Sergeant Charles Watkins retired and Melvin Mitchell has been promoted to Sergeant.

Louisiana Sports Hall of Fame and Northwest Louisiana History Museum Report

On November 17th, Billy Cannon will do book signing at the museum.

Old Business

VCC representative

Dr. Haedicke asked about the Board's representative on the Vieux Carré Commission (VCC). Mr. M. Davis said he sent a letter to Mayor Landrieu with a list of names in October and has not heard back. Tamra Carboni and Ann Masson were the names for representation on the VCC.

Cusachs loan update

Ms. Hammatt said the curators have been creating Condition Reports for the return of the Cusachs items and the family can then make a determination on when to pick up the items after the Report is submitted at the end of November.

Meeting adjourned at 3:10 PM.